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**State of Utah**  
**DEPARTMENT OF NATURAL RESOURCES**  
**Division of Oil, Gas & Mining**

MICHAEL R. STYLER  
Executive Director

JOHN R. BAZA  
Division Director

Outgoing  
C0150025  
# 3528  
R

May 24, 2010

Elliot Finley, Resident Agent  
Hiawatha Coal Company  
P. O. Box 1240  
Huntington, Utah 84528

Subject: 2009 Annual Report Review, Bear Canyon Mine, C/015/0025, Task ID #3528,  
Outgoing File

Dear Mr. Finley:

The Division staff has completed the 2009 Annual Report Review. Enclosed is a copy of the review for Bear Canyon Mine, C/015/0025 completed on May 24, 2010.

Thank you for your diligence in completing the Annual Report. If you have any questions, please call me at (801) 538-5325.

Sincerely,

Daron R. Haddock  
Permit Supervisor

sqs  
Enclosure  
O:\015025.BCN\reviewletter.doc

This Annual Report shows information the Division has for your mine. Please review the information to see if it is current. If the information needs to be updated please do so in this document. At the end of each section the operator is asked to verify if the information is correct. Please answer these questions and make all comments on this document. Submit the completed document and any additional information identified in the Appendices to the Division by April 30, 2010. During a complete inspection an inspector will check and verify the information. To enter text, click in the cell and type your response. You can use the tab key to move from one field to the next. To enter an X in a box, click next to the box, right click, and select properties, then the checked circle, then hit enter, or hit the unchecked circle if the X is to be removed.

## GENERAL INFORMATION

Permittee Name	Co-Op Mining Company
Mine Name	Bear Canyon Mine
Operator Name	
(If other then Permittee)	
Permit Expiration Date	November 2, 2010
Permit Number	C/015/0025
Authorized Representative Title	Kenneth A. Rushton, U.S. Bankruptcy Trustee
Phone Number	(801) 768-8416
Fax Number	
E-mail Address	Krus8416@aol.com
Mailing Address	99 West Main Street, PO Box 212, UT 84043
Designated Representative	
Resident Agent	Kenneth A. Rushton
Resident Agent Mailing Address	Same as Above
Number of Binders Submitted	Two hard copies

Operator, please update any incorrect information.

## IDENTIFICATION OF OTHER PERMITS

Identify other permits that are required in conjunction with mining and reclamation activities.

Permit Type	ID Number	Description	Expiration Date
MSHA Mine ID(s)	42-02263	Bear Canyon #3 Mine	N/A
	42-02335	Bear Canyon #4 Mine	N/A
	42-02395	Bear Canyon Surface Facilities	N/A
MSHA Impoundment(s)		None	
NPDES/UPDES Permit(s)	UTG-04006	Minor Industrial	04-30-08
PSD Permit(s) (Air)	DAQE-145-02	Issued 02-22-02	N/A
<b>Other</b>			

Operator, please update any incorrect information.

**CERTIFIED REPORTS**

List the certified inspection reports as required by the rules and under the approved plan that must be periodically submitted to the Division. Specify whether the information is included as Appendix A to this report or currently on file with the Division.

Certified Reports:	Required		Included Included	or	DOGM file location Vol, Chapter, Page
	Yes	No			
Excess Spoil Piles	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Refuse Piles	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		Inspection reports for Ponds A, B, C & D are included in Appendix A.
Other					
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		

**Operator Comments:****Inspector:**

Has the operator complied with this section? Yes ☒ No ☐

**Inspector Comments:** The 2009 annual report contains 1<sup>st</sup>, 3<sup>rd</sup>, and (4<sup>th</sup> with annual) pond inspection reports for 2009. No information was submitted for 2<sup>nd</sup> quarter 2009 pond inspections. The inspections were conducted on 03/12/09, 09/23/09, and 10/29/09 respectively.

**COMMITMENTS AND CONDITIONS**

The Permittee is responsible for ensuring annual technical commitments in the MRP and conditions accepted with the permit are completed throughout the year. The Division has identified these commitments below and has provided space for you to report what you have done during the past year for each commitment. If the particular section is blank, no commitment has been identified and no response is required for this report. If additional written response is required, it should be filed under Appendix B to this report.

Admin R645-301-100
Soils R645-301-200
Biology R645-301-300

**Biology: CULTURAL RESOURCES**

**Title:** Identification of new cultural resource.

**Objective:** If during the course of mining operations, previously unidentified cultural resources are discovered, the Permittee shall ensure that the site(s) is not disturbed and shall notify the Division of Oil, Gas, and Mining. The Division, after coordination with OSM, shall inform the Permittee of necessary actions required

**Frequency:** The Permittee shall implement the mitigation measures required by the Division within the time frame specified by the Division.

**Status:** Ongoing.

**Reports:** Annual

**Operator:** Has this commitment been acted on this year?

Yes ☐ No ☒ Not required this year. ☐ If yes, comment;

**Operator Comments:**

**Inspector:**

Has the operator complied with this commitment? Yes ☒ No ☐

**Inspector Comments:** No information submitted in the 2009 annual report.

**Biologist Comments:** The permittee needs to properly address how they have met the requirements of this commitment. As noted the following information is included in this section: Although the status is ongoing the inspector has indicated that no information has been submitted in the 2009 annual report and the operator has indicated that it is not required this year. The permittee needs to describe what procedure was implemented to determine if any previously unidentified cultural resources have been discovered, and what the results were for the 2009 reporting period.

**Title: WILDLIFE AWARENESS PROGRAM**

**Objective:** The applicant will inform employees of the vulnerability of local wildlife and will train personnel to avoid all harassment or unnecessary activity near wildlife. In addition a film will be offered by the UDWR "Coal mining and Wildlife" will be shown annually to all employees.

**Frequency:** As needed, new employee orientation.

**Status:** Ongoing.

**Reports:** Annual Report.

**Citation:** Chapter three, page 3-45, paragraph 2.

**Operator:** Has this commitment been acted on this year?

Yes ☒ No ☐ Not required this year. ☐ If yes, comment;

**Operator Comments:**

Raptor/Wildlife training is completed as part of the annual refresher training.

**Inspector:**

Has the operator complied with this commitment? Yes ☒ No ☐

**Inspector Comments:** Completed in Annual Training.

**Title: RAPTOR MITIGATION PLAN**

**Objective:** C. W. Mining will develop a raptor mitigation by July 1, 2007 for all areas where nests may potentially be impacted. Based on preliminary meetings the plan will be as follows. By July 1, 2007 site specific evaluations will be done by qualified personnel and several mitigation methods will be developed for each site based on various timing and mining scenarios. One year prior to undermining a specific nest an application for a take permit will be submitted outlining the various mitigation methods that have been previously determined. Three months prior to undermining the nest, at which time the exact timing and methods will be known, the specific mitigation that correlates to the timing and method will be selected and implemented. All regulating and concerned agencies will be involved at each step.

**Frequency:** Implementation ongoing.

**Status:** Check on completion.

**Reports:** Annual.

**Citation:** Chapter three, page 3-68, paragraph 2.

**Operator:** Has this commitment been acted on this year?

Yes ☐ No ☐ Not required this year. ☒ If yes, comment;

**Operator Comments:**

**Inspector:**

Has the operator complied with this commitment? Yes ☒ No ☐

**Inspector Comments:** No information submitted in the 2009 annual report.

**Title: VEGETATION MONITORING PROCEDURES**

**Objective:** Qualitative observations of revegetated areas will be made yearly throughout the ten year liability period (See R645-301-250).

**Frequency:** Quantitative measurements of reclamation will be collected during years 2, 3, 5, 9 and 10 of the same bond liability period. Any areas not achieving success will be evaluated and revegetated as needed.

**Status:** At reclamation.

**Reports:** During reclamation.

**Citation:** Chapter three, page 3-41, paragraph 1.

**Operator:** Has this commitment been acted on this year?

Yes ☐ No ☐ Not required this year. ☒ If yes, comment;

**Operator Comments:**

**Inspector:**

Has the operator complied with this commitment? Yes ☒ No ☐

**Inspector Comments:** No information submitted in the 2009 annual report.

**Title: DETAILED REVEGETATION PLAN**

**Objective:** The operator will submit a detailed revegetation plan in the last Five-Year Permit renewal prior to reclamation. The plan will include detailed map(s) of sufficient scale to show exact areas and methods of revegetation (i.e., drill seeding, terraces, netting, etc..) based on the best available technology and final mine site conditions.

**Frequency:** Last Five-Year Permit renewal prior to reclamation, the operator will notify the division two weeks prior to all seeding work (interim or permanent), to allow the Division to be on site when the work is done.

**Status:** Check annually to determine if this commitment needs to be implemented.

**Reports:** Five years prior to reclamation.

**Citation.** Chapter three, page 3-46, paragraph 2.

**Operator:** Has this commitment been acted on this year?

Yes ☐ No ☐ Not required this year. ☒ If yes, comment;

**Operator Comments:**

**Inspector:**

Has the operator complied with this commitment? Yes ☒ No ☐

**Inspector Comments:** No information submitted in the 2009 annual report.

Landuse, Cultural Resources, Air Quality R645-301- 400

Engineering R645-301-500

**Title: SUBSIDENCE MONITORING**

**Objective:** Determine subsidence effects.

**Frequency:** Annually.

**Status:** On going.

**Reports:** Submit surveyed monitoring data to Division by June 30, annually.

**Citation:** MRP.

**Operator:** Has this commitment been acted on this year?

Yes ☒ No ☐ Not required this year. ☐ If yes, comment:

**Operator Comments:**

According to information provided by Hiawatha Coal Company personnel this data was gathered early 2009.

**Inspector:**

Has the operator complied with this commitment? Yes ☒ No ☐

**Inspector Comments:** Subsidence data is included in the 2009 annual report. The map was updated on 01-01-2010. The 2009 subsidence map also contains raptor nest locations and is classified as CONFIDENTIAL. The 2009 Raptor survey data was added on 05-12-2009. The Price Field Office (PFO) does not have CONFIDENTIAL information access, and therefore, an Engineer in the Salt Lake Office did analysis of the information.

Geology R645-301-600

Hydrology R645-301-700

**2009 ANNUAL REPORT****Page 6**

Bonding &amp; Insurance R645-301-800

**Other Commitments**

\*Reminder: If equipment has been abandoned during 2009, an amendment must be submitted that includes a map showing its location, a description of what was abandoned, whether there were any hazardous or toxic materials and any revision to the PHC as necessary.

**REPORTING OF OTHER TECHNICAL DATA**

List other technical data and information as required under the approved plan, which must be periodically submitted to the Division. Specify whether the information is included as Appendix B to this report or currently on file with the Division.

**Operator Comments:****Inspector:**Has the operator complied with this section? Yes ☒ No ☐**Inspector Comments:** No Other Technical Data was included in the 2009 annual report.**LEGAL, FINANCIAL, COMPLIANCE AND RELATED INFORMATION**

Change in administration or corporate structure can often bring about necessary changes to information found in the mining and reclamation plan. The Division is Requesting that each Permittee review and update the legal, financial, compliance and related information in the plan as part of the annual report. Please provide the Department of Commerce, Annual Report of Officers, or other equivalent information as necessary to ensure that the information provided in the plan is current. Provide any other change as necessary regarding land ownership, lease acquisitions, legal results from appeals of violations, or other changes as necessary to update information required in the mining and reclamation plan. Include certified financial statements, audits or worksheets, which may be required to meet bonding requirements. Specify whether the information is currently on file with the Division or included as Appendix C to the report.

Legal / Financial Update	Required		Included	or	DOGM File location	Comments
	Yes	No				

Department of Commerce, Annual Report Officers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>			
Other						
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			

**Operator Comments:****Inspector:**

Has the operator complied with this section? Yes ☒ No ☐

**Inspector Comments:** The 2009 annual report contains a report from the Utah Department of Commerce.

**MAPS**

Copies of mine maps, current and up-to-date through at least December 31, 2009, are to be provided to the Division as Appendix D to this report in accordance with the requirements of R 645-301-525.240. The map copies shall be made in accordance with 30 CFR 75.1200 as required by MSHA. Mine maps are not considered confidential. (Please provide a CD.)

Confidential information is limited to:

R645-300-124.310. Information that pertains only to the analysis of the chemical and physical properties of the coal to be mined, except information on components of such coal which are potentially toxic in the environment.

R645-300-124.330. Information on the nature and location of archeological resources on public land and Indian land as required under the Archeological Resources Protection Act of 1979 (P. L. 96-95, 93 Stat. 721, 16 U.S.C. 470).

R645-301-322, Fish and Wildlife Information; R645-301-322.100, the scope and level of detail for such information will be determined by the Division in consultation with state and federal agencies with responsibilities for fish and wildlife and will be sufficient to design the protection and enhancement plan required under R645-301-333 and R645-301-322.230, other species or habitats identified through agency consultation as requiring special protection under state or federal law; R645-301-333.300, Include protective measures that will be used during the active mining phase of operation.

The Division will provide procedures, including notice and opportunity to be heard for persons both seeking and opposing disclosure.

**Map Number(s)****Map Title/ Description**

5-3A	Subsidence Map (CONFIDENTIAL)		
Mine map			
		<b>Confidential</b>	
		Yes	No
5-1A	Blind Canyon Seam Mine Workings	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5-1B	Hiawatha Seam Mine Workings	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5-1C	Tank Seam Mine Workings	<input type="checkbox"/>	<input checked="" type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>

**Operator Comments:****Inspector:**



Has the operator complied with this section? Yes ☒ No ☐

**Inspector Comments:** Subsidence Map (CONFIDENTIAL) not available at Price Field Office (PFO) but was reviewed by an Engineer in the Salt Lake office. The subsidence map also includes the 2009 raptor survey data. The maps submitted for Blind Canyon Seam Mine Workings, Hiawatha Seam Mine Workings, and Tank Seam Mine Workings do not contain any projections for future mining. The maps only indicated the present mining that has taken place up to the end of 2009.

**OTHER INFORMATION**

Please provide any comments of further information to be included as part of the Annual Report. Any other attachments are to be provided as Appendix E to this report. If information is submitted as a group rather than by individual mine, please identify each of the mine's data in the list below.

**Additional attachment to this report?**

Yes ☒

No ☐

Refer to attached "Supplement to 2009 Annual Report" included in Appendix E.

**Operator Comments:**

**Inspector:**

Has the operator complied with this section? Yes ☒ No ☐

**Inspector Comments:** Statement C.W. Mining Company Bankruptcy Estate.

O:\AnnualReport\2009 Annual Reports\Active Mines\Bear Canyon Mine C0150025.doc

**APPENDIX A**

**Certified Reports**

Excess Spoil Piles  
Refuse Piles  
Impoundments

As required under R645-301-514

**CONTENTS**

**APPENDIX B**

**Reporting of Technical Data**

Including monitoring data, reports, maps, and other information  
As required under the approved plan or as required by the Division

In accordance with the requirement of R645-310-130 and R645-301-140

**CONTENTS**

**APPENDIX C**

**Legal Financial, Compliance and Related Information**

Annual Report of Officers  
As submitted to the Utah Department of Commerce

Other change in ownership and control information  
As required under R645-301-110

**CONTENTS**

**APPENDIX D**

**Mine Maps**

As required under R645-302-525-270

**CONTENTS**

**APPENDIX E**

**Other Information**

In accordance with the requirements of R645-301 and R645-302

**CONTENTS**